



**MEMORANDUM OF UNDERSTANDING BETWEEN
THE VIRGIN ISLANDS LOTTERY
&
THE TENNESSEE EDUCATION LOTTERY CORPORATION**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 1st day of March, 2025, by and between the Virgin Islands Lottery ("USVI Lottery") and the Tennessee Education Lottery Corporation ("TEL") (collectively referred to as "the Parties"), both parties being constituents of the Multi-State Lotteries ("MUSL").

WITNESSETH:

WHEREAS, the USVI Lottery is an Instrumentality of the Government of the U.S. Virgin Islands, as established under Title 32, Chapter 13 of the Virgin Islands Code, that serves as the official lottery organization of the U.S. Virgin Islands managed by a Director and subject to the supervision of the Virgin Islands Lottery Commission. USVI Lottery is located in the Caribbean and is a member of MUSL.

WHEREAS, MUSL, a non-profit, government-benefit association owned and operated by agreement of its 38-member lotteries. MUSL was created to facilitate the operation of multi-jurisdictional lottery games, most notably Powerball.

WHEREAS, TEL is a corporation and quasi-public instrumentality created pursuant to the Tennessee Education Lottery Implementation Law (Tenn. Code Ann. §§ 4-51-101 et seq., as may be amended from time to time.) The TEL is a lottery organization located in the continental United States, specifically in the state of Tennessee, and is a member of MUSL.

WHEREAS, International Gaming Technology ("IGT") is a multinational gaming company that produces gaming technology and has entered into individual contracts with the USVI Lottery and the TEL to provide technology services enabling the USVI Lottery and the TEL to participate in multijurisdictional lottery games, including Powerball and Mega Millions.

WHEREAS, Elsym Consulting, Inc. ("Elsym") provides software services to audit computer-generated transactions and is a provider of internal controls software for lotteries, including the USVI Lottery and the TEL.

WHEREAS, after surviving two catastrophic Hurricanes, Hurricanes Irma and Maria which passed through the islands of St. Croix, St. Thomas, and St. John in September 2017, the Virgin Islands Lottery was unable to comply with MUSL's Rule 2 requirements, which resulted in a loss in sales; and

WHEREAS, as a result, the USVI Lottery was required by MUSL to establish a Business Continuity Plan and Disaster Recovery Procedures ("BCP/DRP") in order to avoid the interruption of its participation in MUSL draws; and



WHEREAS, this MOU defines the activation process for the BCP/DRP and its execution in the event that the USVI Lottery's staff is unable to complete its responsibilities related to any MUSL draw due to any catastrophic event.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the Parties hereto do covenant and agree as follows:

1. TERM AND EFFECTIVE DATE

This MOU shall be effective upon the date of final execution of this MOU by all parties and shall terminate five (5) years thereafter. Unless otherwise indicated in writing, this MOU shall renew automatically for periods of two (2) years.

2. COSTS

There shall be no exchange of funds between the Parties for the performance of tasks under this MOU, and TEL shall not charge the USVI Lottery any fees for the service provided pursuant to the MOU. Each Party shall bear its costs associated with the fulfillment of its responsibilities under this MOU.

3. RESPONSIBILITIES/ TASKS

The USVI lottery and the TEL, enter into this MOU to establish a contingency plan for the benefit of the USVI Lottery. The procedures are to be followed by the TEL in the event that the USVI Lottery is unable to complete its responsibilities related to the MUSL draw due to an event of catastrophic or disastrous nature in the Virgin Islands.

A. Initiating Responsibilities:

1) USVI Lottery:

- (a) As soon as the Executive Director determines that the USVI Lottery staff will not have access to the Lottery's primary and secondary sites, the USVI Lottery Deputy Director, Security Director, or designee will immediately notify the Executive Director, MUSL, Elsym and IGT that the suspension of all sales for multi-Jurisdictional games is in effect and will inform the TEL's CEO or designee that the BCP/DRP is being activated. The notification must include the event(s) preventing USVI Lottery from reporting to MUSL within 24 hours of the impending event or knowledge thereof.
- (b) Once sales are suspended, the USVI Lottery operators on site and its vendor (Caribbean Lottery Services) will complete the sales balancing process for the next draw. In the event that USVI Lottery operators on site and its vendor cannot complete the sales balancing process for the next draw, said USVI Lottery operators on site will notify TEL staff designee to take over the draw process. The draw process will be conducted in accordance with the draw steps outlined in the USVI Powerball Disaster Recovery Procedures, attached hereto



as Exhibit A and incorporated herein by reference.

- (c) If possible, the USVI Lottery operators on site will submit to the MUSL staff designee and TEL designee a future sales report for the next four draws. Since sales are suspended, this report will be considered the final report before the draws, and sales for any other day during the emergency will be zero.

2) TEL:

- (a) The TEL CEO or designee will confirm to the USVI Lottery operators on site, Deputy Executive Director, Security Director, or designee and MUSL staff designee its readiness to submit sales and winners report on behalf of the USVI Lottery within three hours of the initial BCP/DRP notification.

B. Responsibilities during the Event:

1) USVI Lottery:

- (a) USVI Lottery Deputy Executive Director, Security Director, or operator will verify and communicate that all sales for all multi-jurisdictional games remain suspended while USVI Lottery's primary site remains inaccessible.
- (b) Given the severity of circumstances preventing USVI Lottery from completing draw and reporting, USVI operator staff will monitor completion of required reporting by TEL by contacting designated TEL staff. USVI Lottery staff operators and TEL staff will communicate as necessary to ensure completion of necessary reporting.

2) TEL:

- (a) Following its internal procedures, the TEL will complete sales balancing and winner reports for all multi-jurisdictional draws while the BCP/DR plan is active.
- (b) Allow the USVI Lottery to install a desktop or laptop with firewall Virtual Private Network (VPN) tunnel connection to ICS2 in Austin Texas on the premises where the USVI Lottery's backup site will be located, and allow staff from the USVI Lottery to monitor the VPN connection 24 hours a day 7 days a week. Note: VPN Connection will be unlocked during testing and while BCP/DR plan is active.
- (c) Allow IGT to install proper equipment to allow a VPN connection to Graphic User Interface (GUI) in Austin, Texas on-premise.
- (d) TEL staff will have the necessary access to the USVI systems, Flex and Navigator, as well as the ICS2, and operate in accordance with the Virgin Islands Lottery Draw Step Process attached hereto as Exhibit B.

C. USVI Lottery's Resumption of Responsibilities:

- 1) As soon as access to the USVI Lottery's primary site is reestablished in a secure and consistent manner, the USVI Lottery Executive Director, Deputy Executive Director, Security Director, operator, or designee will notify the TEL's CEO or designee and MUSL staff that the USVI Lottery will continue with the required reporting of all multi-jurisdictional games sold in the Virgin Islands. This must be done before sales are resumed for all multi-jurisdictional games.



- 2) In coordination with the MUSL Security and Integrity Committee, the USVI Lottery Executive Director, Deputy Executive Director, or Security Director will authorize the resumption of sales for multi-jurisdictional games.

D. Maintenance and Inspection:

- 1) The USVI Lottery's backup system, located on TEL's offsite back-up premises, will receive routine maintenance and inspections, as required by MUSL, and the same will be performed by the staff from the USVI Lottery.
- 2) TEL will allow access to the USVI Lottery IT staff and MUSL for maintenance, inspection, or any other service-related purposes required by MUSL.

4. CONFIDENTIALITY

TEL will use its best efforts to keep all data received from the USVI Lottery in confidence and to use the data for the purposes established in this MOU. Known or suspected losses of protected data must be reported to the USVI Lottery within one hour of discovery. Once TEL becomes aware of a known breach of the USVI Lottery data, the TEL's CEO will contact the Executive Director to discuss the actions and potential remedies regarding the incident.

5. LIMITATION OF LIABILITY - GOVERNMENT

Nothing in this MOU shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations and taxes of whatsoever nature, including but not limited to unemployment insurance and social security taxes for, its servants, agents or independent contractors.

6. ASSIGNMENT

Neither Party shall subcontract or assign any part of the services or responsibilities under this MOU.

7. LIMITATION OF LIABILITY - PARTIES

Nothing in this MOU shall be construed to impose any liability upon the Parties to persons, firms, associations, or corporations engaged by either Party as servants, agents, or independent contractors, or in any other capacity whatsoever, or to make either Party liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations and taxes of the other Party of whatsoever nature, including but not limited to unemployment insurance and social security taxes for the TEL, its servants, agents or independent contractors.

8. INDEMNIFICATION

To the extent permitted by law, the USVI Lottery agrees to indemnify, defend and hold harmless the TEL,



its directors, officers and employees, the State of Tennessee and its agencies and political subdivisions, and their respective agents, officers and employees (the "TEL Indemnified Parties"), against any and all suits, damages, interests, awards, penalties, fines, costs or expenses of whatever kind (including, without limitation, court costs, attorneys' fees and other damages), the cost of enforcing any right to indemnification hereunder, the cost of pursuing any insurance providers, the cost of remediation, losses, liabilities and claims of any kind, arising out of, or resulting from any third-party claim against any TEL Indemnified Parties arising out of or resulting from a data security breach or the TEL's performance under this MOU, except for any cause arising out of the sole negligence of the TEL.

To the extent permitted by law, the TEL agree to indemnify, defend, and hold harmless USVI Lottery from and against any and all loss, damage, liability, claims, demands, detriments, cost, charges, and expense (including attorney's fees) and causes of action of whatsoever character which the USVI Lottery may incur, sustain or be subjected to, arising out of or in any way connected to the services to be performed by TEL under this MOU and arising from any cause, except a cause arising out of the sole negligence of USVI Lottery.

9. GOVERNING LAW

This MOU shall be governed by the laws of the United States Virgin Islands, and jurisdiction shall remain in the United States Virgin Islands.

10. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term condition or provision of this MOU shall be valid or of any force or effect unless made in writing, signed by the Parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this MOU, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

11. DISPUTE RESOLUTION

Should a dispute arise on the interpretation of the provisions of this agreement, or amendments and/or revisions thereto, that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each party and presented to the contacts named in Notice paragraph below for consideration. If agreement on interpretation is not reached within thirty (30) days, any further dispute shall first be mediated with a mutually acceptable mediator, prior to initiation of any litigation.

12. ENTIRE AGREEMENT

This MOU and the attached exhibits incorporated herein constitute the entire agreement of the Parties relating to the subject matter addressed in this agreement. This MOU supersedes all prior communications, MOUs, or agreements between the Parties with respect to the subject matter addressed in this Agreement, whether written or oral.



13. TERMINATION

Either party will have the right to terminate this MOU with or without cause on thirty days (30) days written notice to the other party specifying the date of termination. If the agreement is terminated, neither party shall be responsible for any costs incurred by the other prior to or after the termination.

14. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this MOU on account of race, creed, color, sex, religion, disability, or national origin.

15. CONFLICT OF INTEREST

Both Parties covenant that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this MOU.

16. NOTICE

Any notice required to be given by the Terms of this MOU shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

FOR THE VIRGIN ISLANDS LOTTERY:

Virgin Islands Lottery
Raymond Williams
Executive Director
81CC & 81D Kronprindsens Gade
St. Thomas, VI 00802
(340) 774-2502

FOR THE TENNESSEE EDUCATION LOTTERY CORPORATION:

Tennessee Education Lottery Corporation
Rebecca Paul
President & CEO
26 Century Blvd., Suite 200
Nashville, TN 37214
(615) 324-6503

The parties agree that if there is a change regarding the information in this section, the party making the changes will notify the other party in writing of such changes within five (5) business days.




17. FASCIMILE, ELECTRONIC & DIGITAL SIGNATURES

A facsimile, electronic or digital signature on this Contract shall be deemed an original and binding upon the Parties hereto.

The Parties have hereunto set their hands on the date as set forth below.

THE TENNESSEE EDUCATION LOTTERY CORPORATION


Rebecca Paul, President & CEO
Tennessee Education Lottery Corporation

Date:

3/19/2025


APPROVED AS TO LEGAL SUFFICIENCY

BY: 
Alonda McCutcheon, Esq., General Counsel

Date:

3/19/2025

FOR THE VIRGIN ISLANDS LOTTERY


Raymond Williams, Executive Director
Virgin Islands Lottery

Date:

3/20/25


Kevin McCurdy, Chairperson
The Virgin Islands Lottery Commission

Date:

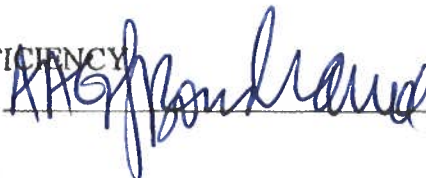
3/21/2025


Lisa M. Alejandro, Commissioner
Department of Property and Procurement

Date:

03/26/2025

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY:



Date:

3/25/2025